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May 28, 1998

BY HAND DELIVERY

RECORDATION NO. *21458*

FILED

June 9 10-45 AM



Vernon A. Williams
Secretary
Surface Transportation Board
Department of Transportation
Washington, D.C. 20423

Dear Sir:

I have enclosed an original and one copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Memorandum of Lease, a primary document, dated as of May 25, 1998.

Lessee:

CANPET Energy Group Inc.
350 7th Avenue S.W., Suite 2600
Calgary, Alberta Canada

Lessor:

Pivotal Enterprises Corporation
736 6th Avenue SW, Suite 1610
Calgary, Alberta Canada T2P 3T9

A description of the equipment covered by the document is more fully described on Schedule A attached hereto.

Nixon, Hargrave, Devans & Doyle LLP

Vernon A. Williams

May 28, 1998

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A fee of \$24.00 is enclosed. Please return the original and any extra copies not needed by the Surface Transportation Board for recordation to:

Dwight R. Collin
Nixon, Hargrave, Devans & Doyle LLP
P.O. Box 1051
Clinton Square
Rochester, New York 14603

A short summary of the document to appear in the index follows:

The primary document, a Memorandum of Lease of Railroad Equipment between CANPET Energy Group Inc., having a place of business at 350 7th Avenue S.W., Calgary, Alberta Canada T2P 3N9 as Lessee, and Pivotal Enterprises Corporation, having a place of business at 736 6th Avenue SW, Calgary, Alberta Canada T2P 3T9 as lessor dated as of May 25, 1998, and covering fifty-seven (57) DOT 105J300W 100 ton roller bearing 33,600 U.S. gallon capacity pressure railroad tank cars manufactured in 1977 bearing ULMER registration marks PLMX 32800-32826, 32828, 32829, 32900-32916, 32918-32922 and 32924-32929.

Very truly yours,



Dwight R. Collin

Attorney for First Treasury Financial Inc.

DRC/klm
Enclosure

**MEMORANDUM OF LEASE
LEASE OF RAILROAD EQUIPMENT**

RECORDATION NO. 21458 FILED
~~June 9~~ 10-45 AM

THIS MEMORANDUM OF LEASE OF RAILROAD EQUIPMENT is intended to evidence the lease of Equipment, pursuant to the Lease Agreement dated as of the 25 day of May 1998 (the "Lease") between CANPET Energy Group Inc., an Alberta corporation, having its principal place of business at Calgary, Alberta (the "Lessee"), and Pivotal Enterprises Corporation, an Alberta corporation (the "Lessor"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board of the United States Department of Transportation under Section 49 U.S.C. 11301, as amended. The Lessor has the right to lease the railcars, more fully described in Schedule A hereto (the "Items"). The Lessee leased from the Lessor all the Items at the Rentals and upon the terms and conditions provided in the Lease.

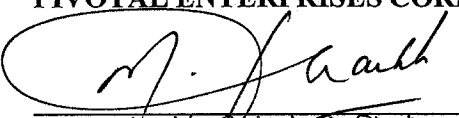
IN WITNESS WHEREOF, the Lessor and the Lessee, each pursuant to due authority, have executed this Memorandum of Lease as of this 25 day of May 1998.

LESSOR

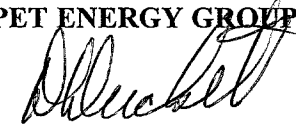
LESSEE

PIVOTAL ENTERPRISES CORPORATION

CANPET ENERGY GROUP INC.


Name: M. H. (Mike) Sheikh

President
Title:


Name: David Duckett

President
Title:

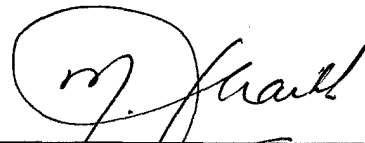
**SCHEDULE "A" TO MEMORANDUM OF LEASE, LEASE OF RAILROAD
EQUIPMENT DATED THE 25 DAY OF MAY 1998 BETWEEN PIVOTAL
ENTERPRISES CORPORATION AND CANPET ENERGY GROUP INC.**

Fifty-Seven (57) DOT 105J300W 100 ton roller bearings; 33,600 U.S. gallon capacity pressure railroad tank cars manufactured in 1977 bearing ULMER registration marks PLMX 32800-32826, 32828, 32829, 32900, 32918-32922 and 32924-32929.

CORPORATE ACKNOWLEDGMENT

I, M.H. (MIKE) SHAIKH, certify that I am the President of **Pivotal Enterprises Corporation** (the "Corporation"), that the instrument annexed hereto was signed on behalf of the Corporation by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Corporation. I further declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on the 25 day of May, 1998.

A handwritten signature in black ink, appearing to read "M.H. Shaikh", is written over a horizontal line. The signature is stylized, with the first letters of the first and last names being capitalized and prominent.

M.H. (MIKE) SHAIKH

CORPORATE ACKNOWLEDGMENT

W. DP

I, DAVID ~~W.~~ DUCKETT, certify that I am the President of CANPET Energy Group Inc. (the "Corporation"), that the instrument annexed hereto was signed on behalf of the Corporation by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Corporation. I further declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on the 25 day of May, 1998.



W. DAVID ~~W.~~ DUCKETT

DP